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SUBJECT: NIGERIA: PILOTING THE PARTNERSHIP FOR DEMOCRATIC  
GOVERNANCE

REF: STATE 139331

¶1. (SBU) Summary: Nigeria is an admittedly risky environment in which to pilot a new governance initiative, particularly at the state level. Despite the risk, the establishment of better governance in Nigeria can have positive spillover effects for the rest of West Africa and the continent as a whole. We therefore recommend the USG support a state-level pilot project here. Embassy, ConGen Lagos, and USAID Mission are ready to work with UNDP, the World Bank, Dfid, other local and international partners, and national and state authorities to take advantage of growing reform efforts here and create a successful Partnership for Democratic Governance (PDG) pilot project in Nigeria. End summary.

¶2. (SBU) Nigeria has earned its reputation for poor governance over the years and the governance record at the state level is particularly poor. Of the 36 governors in office at the time of the last elections, 31 were under investigation for corruption. If the USG is to support one or more states in Nigeria as a PDG test bed, we should go into such an effort with our eyes wide open. At the same time, the establishment of better governance in Nigeria can have positive spillover effects for the rest of West Africa and the continent as a whole. The reform agenda of the current administration provides a platform for concrete positive change. While some may see Nigeria as a risky environment in which to pilot a new governance initiative, we see PDG as an opportunity to support USG objectives worldwide of building the capacity of emerging democratic trends at the national, state, and local level through reform and better provision of essential services, leading to stronger and broader growth.

¶3. (SBU) The current government has picked up on the national-level reform efforts of recent years and has repeatedly stated its determination to extend transparency legislation to the state level. A policy and technical area that cries out for reform at the state level is public procurement. Embassy, ConGen Lagos, and USAID are increasingly involved with state-level actors who declare their willingness to fight corruption through legislation and effective governance systems.

¶4. (SBU) Nigeria is at an historic turning point. The future of democracy and governance of Africa's most populous nation will become increasingly clear over the next couple of years. The U.S. and other development partners are rightfully engaged in moving forward still-nascent reform processes. We cannot afford to do otherwise. Despite the risks, we strongly recommend that the USG support a state-level PDG

pilot project here.

¶15. (SBU) Political will is mixed; key figures remain more interested in continuing corrupt practices than in ensuring a better future for average Nigerians. At the same time, the federal government has demonstrated interest and commitment to reducing corruption by establishing the Economic and Financial Crimes Commission, the Independent Corrupt Practices Commission, and the Nigeria Extractive Industries Transparency Initiative. Other legislation on freedom of information, fiscal responsibility, and whistle blower protection is in the pipeline. There is a major opportunity to test out such forward-looking steps in receptive states. Lagos State, in particular, has already taken steps to reform its procurement process. PDG support could take such early efforts to the next level.

¶16. (SBU) While there is certainly a perception that many government leaders are merely paying lip service to the need for accountability, the political environment is more favorable to partnerships for democratic governance than at any time since independence. We stand ready to identify local leaders willing to work within the PDG principles.

¶17. (SBU) To its credit, the Nigerian government is already providing funding for projects very similar to those envisioned in reftel, including to community service organizations which track public expenditures in support of Millennium Development Goals and projects being executed with moneys recovered from the family of the late Sani Abacha. Niger Delta state governments, particularly those of Rivers and Bayelsa, have initiated partnerships with the donor community in recent years. With the right framework and incentives, we believe both the federal and some state governments would commit resources in support of a PDG pilot project.

¶18. (SBU) We believe that national and local stakeholders would be open to south-south cooperation in the context of a PDG pilot, especially if there is adequate representation of local experts.

¶19. (SBU) Opportunities for PDG services clearly exist. A PDG pilot would likely yield the clearest results at the state and local level where systems are dysfunctional and governments are overwhelmed by lack of capacity.

¶110. (SBU) In Nigeria, we recommend a PDG focus on the public procurement function at the state level. While USAID does not have funding available to augment PDG technical assistance, the AID Mission and Embassy and ConGen officers could work with federal and state officials, PDG, and other donors to fashion a procurement reform initiative with a solid possibility of success within the PDG testbed horizon. UNDP, World Bank, and Dfid in-country have already told us they would be pleased to work closely with us on such an effort. Although no new money is available, USAID is currently implementing activities at the state and local level aimed at providing officials and key staff with skills to carry out legislative and oversight activities in a transparent and democratic manner. Focus areas include 1) policy reforms supportive of local governance, 2) clarified roles and responsibilities of the different levels of government, and 3) institutionalized mechanisms for citizen participation in government decision making processes.

¶111. (SBU) In sum, "Team Nigeria" welcomes this opportunity. We ask that USG reps convey our willingness to work with PDG and Nigerian officials on a concrete and specific plan for a pilot here.  
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